WAPC OP2.4 – Planning for School Sites

FACT SHEET 3 – Valuation for Pro-rata Developer Contribution

# Purpose of a valuation

If a developer contribution is required for a primary school site as a condition of a Western Australian Planning Commission’s (WAPC) approved subdivision, then the contribution is to be paid to the Department of Education (Department) for each deposited plan area before subdivision clearances can be issued.

A valuation is to be undertaken over each proposed deposited plan area to calculate the developer contribution amount as per the WAPC Operational Policy 2.4 – Planning for School Sites (OP 2.4) and as explained below.

# Developer contribution model/formula

The developer contribution is calculated based on the market value of land within the subdivision area. This value is placed on a four hectares notional school site, and divided by 1,500 (hypothetical number of dwellings serviced) to determine the rate of contribution to be applied to each proposed lot. The total contribution is then determined based on the number of lots proposed in the subdivision area.

If the subdivision does not include any public primary school site, a cash contribution is to be paid to the Department before subdivision clearance can be issued. If the subdivision includes any public primary school site to be ceded, the contribution amount is to be determined before subdivision clearance is issued. The subdivider/landowner will be reimbursed or required to make an additional cash payment to account for the oversupply or deficit at the time the school site is being transferred to the Department.



# Formulation and currency of a valuation

The current market value of the proposed deposited plan area is to be determined, at the cost of the owner of the land, by a licensed valuer. The market value of the land will be based on several factors including the assumption that the land is development ready and unconstrained.

For those sites incorporating a portion or a whole primary school site, the value of that primary school portion is to be based on the ‘highest and best’ alternative use - generally a residential zoning comparable to the surrounding development unless the land is otherwise constrained.

A sworn valuation is required to be undertaken as per the valuation methodology identified in OP 2.4.

The sworn valuation should be current (dated within six months) when seeking subdivision clearance from the Department for any pro-rata school site developer contribution condition.

A valuation is not required if the subdivider/landowner is paying the maximum capped developer contribution rate which is $4,500 per lot. This maximum contribution amount will be reviewed as required to ensure the rate reflects market conditions.

A recommended instruction for valuation services is provided in **Appendix 1**.

# Information to be submitted to the Department of Education

The subdivider/landowner is to submit the following information to the Department to determine the developer contribution rate:

* WAPC subdivision approval letter with applicable developer contribution condition;
* Proposed deposited plan;
* Structure plan covering the deposited plan area, where relevant; and
* A current valuation report for the proposed deposited plan area in accordance with the valuation.
A recommended report template is provided by the Department of Education – refer to **Appendix 2**.

Upon determination of the developer contribution rate, and at the request of the proponent, the Department will then issue an invoice to the proponent for review.

# Valuation assessment

The Department may either obtain an annual estimate valuation of the affected public primary school site through Landgate or procure an independent sworn valuation to review against the subdivider/landowner’s valuation.

# Resolving valuation dispute

If either the subdivider/landowner or the Department disputes a valuation, it may be varied by agreement between the parties, or the dispute may be settled by such method as the parties agree upon such as being referred to an independent licenced valuer.

If after 28 days from the date when both parties have received the valuation the dispute has not been settled, or an agreement made as to the method of settlement, either the owner of the land or the Department may refer the dispute for determination.

# Further information

For more information on the pre-lodgement structure plan referral process, please email your enquiries to Landplanning@education.wa.edu.au

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| --- |
| Disclaimer |
| This Fact Sheet is prepared by the Department of Education to provide general guidance for developers, landowners and proponents on the pre-lodgement structure plan referral process based on the provisions of the Western Australian Planning Commission’s Operational Policy 2.4 – Planning for school sites (OP 2.4). Should there be any inconsistency between this Fact Sheet and the OP 2.4, the OP 2.4 shall prevail.Any representation, statement, opinion or advice expressed or implied in this publication is made in good faith and on the basis that the government, its employees and agents are not liable for any damage or loss whatsoever which may occur as a result of action taken or not taken, as the case may be, in respect of any representation, statement, opinion or advice referred to herein. Professional advice should be obtained before applying the information contained in this fact sheet to particular circumstances. |

# Appendix 1

**INSTRUCTION FOR VALUATION**

**WAPC OPERATIONAL POLICY 2.4 – Planning for School Sites**

**PROPERTY ADDRESS - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(“THE PROPERTY”)**

**LEGAL DESCRIPTION (PARENT LOT) – LOT \_\_ ON DEPOSITED PLAN \_\_\_\_, CERTIFICATE OF TITLE VOL \_\_\_ FOL\_\_\_**

**PURPOSE -** To determine Development Contributions in accordance with WPAC Operational Policy 2.4 Planning for School Sites.

**INSTRUCTING PARTY –** (Owner/Developer)

**INSTRUCTION -** The current market value of the Proposed Deposited Plan area is to be determined, at the cost of the owner of the land, by a Licensed Valuer. The market value of the land will be based on the:

* proposed Deposited Plan area having first received conditional subdivision approval;
* assumption that the land is development ready;
* assumption that any rezoning necessary for the purpose of the subdivision has come into force;
* no buildings, fences or other similar improvements are on the land’; and
* assumption that environmental, heritage and cultural issues have been resolved on the date on which the valuation is made.

For those sites incorporating a portion or a whole primary school site, the value of that primary school portion is to be based on the ‘highest and best’ alternative use - generally a residential zoning comparable to the surrounding development unless the land is otherwise constrained.

**CONTACT FOR SITE INSPECTION -** To be provided by Owner/Developer

**DATE OF VALUATION -** The date of the Valuation should be the date of inspection.

**VALUATION METHODOLOGY**

**Primary Valuation Approach – Direct Comparison Analysis**

To determine the market value in a development-ready site condition by comparing the subject site to recent sales of englobo development sites transacted in the open market.

Land sale evidence shall:

* consist of sales evidence deemed comparable to the deposited plan area, otherwise on the highest and best alternative use basis;
* be adjusted to assume a development ready site; and
* where possible use land sales that could reasonably be developed in a single stage.

Detailed sales analyses should be included in the valuation report and specific comments should be made in regard comparability and adjustments.

**Secondary Valuation Approach – Static Hypothetical Development Analysis**

To determine the feasible market value of the land using the Static Hypothetical Development method of valuation, the valuer will:

* assess the Gross Realisation by comparison to recent sales of comparable lots, consideration may be given to pre-sales within the subject development;
* rely on land area, dimensions and configuration as shown on the deposited plan (for those areas included on the *proposed Deposited Plan* area for primary school sites the assessment is based on the highest and best alternative use – generally residential zoning);
* use development costs as specified in contract or engineers’ advice;
* use allowances for market incentives (marketing and builder rebates) and statutory contributions;
* for GST, assume application of the General Tax Rule for feasibility analysis; and
* allow for POS contribution where applicable.

The Valuation Report must include supporting evidence for the Gross Realisation assessment and the sale rate adopted.

**REPORT FORMAT -** The valuation report should follow the report template provided by the Department of Education.

**PECUNIARY INTEREST -** The Valuer and valuation firm must confirm in the report that they have no pecuniary interest in the property which may give rise to a conflict of interest.

**REPORT DELIVERY -** The completed Valuation Report is to be delivered electronically to the Instructing party by \_\_\_\_\_(Insert Date).

# Appendix 2

**RECOMMENDED VALUATION REPORT TEMPLATE**

**WAPC OPERATIONAL POLICY 2.4 – Planning for School Sites**

**Valuation Report**

Property Address

Proposed Deposited Plan \_\_\_\_\_

[Insert Site photograph]

Prepared for: Department of Education

Purpose: Developer Contributions Assessment

Date of Valuation: Day / Month / Year

Reference \_\_\_

**Executive Summary**

|  |  |
| --- | --- |
| **Property Address** | Address of Parent Title Lot |
| **Prepared for**  | Department of Education151 Royal StreetEAST PERTH WA 6004 |
| **Purpose of Valuation** | To assess Developer Contributions in accordance with WAPC *Operational Policy 2.4 Planning for School Sites (August 2021)* |
| **Instructing Party** | (Developer) |
| **Certificate of Title** | Parent Lot, DP/Diagram, Volume /Folio |
| **Proposed Deposited Plan** | Insert Proposed DP No. |
| **Registered Proprietor** | As per Parent Title details |
| **Encumbrances** | List all encumbrances on parent title |
| **Land Areas** | Parent Title \_\_\_\_\_ HectaresProposed Deposited Plan \_\_\_\_\_ Hectares |
| **Planning** | Local AuthorityLocal Planning SchemeZoningDistrict Structure PlanLocal Structure PlanMRS Zoning |
| **Interest Valued** | Fee simple freehold (assuming availability of Title for DP land area) |
| **Description "As Is"**  | Land AreaLocationGeneral description |
| **Description "As If Complete"**  | WAPC Development Approval Application No.Residential Lot YieldAverage Residential DensityNon Residential Sites |
| **Valuation Approaches** | Direct ComparisonStatic Hypothetical Development Analysis |
| **Date of Inspection** | day/month/year |
| **Date of Valuation** | day/month/year |
| **Market Value “As Is”** | $\_\_\_\_\_\_ GST exclusive |
| **Per lot Assessed Contribution** | $\_\_\_\_\_\_ GST exclusive  |
| **Total Assessed Contribution** | $\_\_\_\_\_\_ GST exclusive  |
| **Date of Issue** | 1 August 2021 |
| **Primary Valuer** | **Valuation Firm**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ValuerCertified Practising ValuerLicensed Valuer Number \_\_\_For the State of Western Australia |

|  |  |
| --- | --- |
| **Supervising Member** | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_NameDirector |
|  | The counter-signatory, who has read and signed this report (Supervising Member), verifies that the report is genuine and is endorsed by \_\_\_\_\_\_. The Supervising Member has reviewed the report and methodology; however, the opinion of value expressed in this report is that of the Valuer who conducted the valuation (Primary Valuer). |
| **Third Party Disclaimers** |  |

**IMPORTANT: All data provided in this summary is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation.**

**Valuation Instruction**

Client (Developer)

Date of Instruction

Purpose of Valuation

Liability Extension to Department of Education

**Definitions**

Market Value

Gross Realisation

Highest and Best Use

**Confirmations**

Pecuniary Interest

Date of Inspection

Date of Valuation

Information Sources

Goods & Services Tax (GST) Assumptions

**Assumptions Conditions & Limitations**

Insert standard valuation assumptions and disclaimers

**Developer Contributions Formula & Guidelines**

If a primary school development contribution is required as a condition of a WAPC-approved subdivision then the contribution is to be paid to the Department of Education for each deposited plan area before title clearances will be approved. A valuation is to be undertaken over each Proposed Deposited Plan area to calculate the contribution amount.

The current market value of the Proposed Deposited Plan area is to be determined, at the cost of the owner of the land, by a Licensed Valuer. The market value of the land will be based on the:

* Proposed Deposited Plan area having first received conditional subdivision approval
* assumption that the land is development ready
* assumption that any rezoning necessary for the purpose of the subdivision has come into force
* no buildings, fences or other similar improvements are on the land
* assumption that environmental, heritage and cultural issues have been resolved on the date on which the valuation is made.

For those sites incorporating a portion or a whole primary school site, the value of that primary school portion is to be based on the ‘highest and best’ alternative use - generally a residential zoning comparable to the surrounding development unless the land is otherwise constrained.



The maximum contribution amount is $4,500 per lot created (subject to review).

**Land Particulars**

TITLE DETAILS (PARENT LOT)

|  |  |  |
| --- | --- | --- |
| **Volume/Folio** | **Description** | **Registered Proprietor** |
|  |  |  |

Limitations, Interests, Encumbrances & Notifications – Comment on any onerous encumbrances which run with title.

LAND DESCRIPTION (PROPOSED DEPOSITED PLAN)

|  |
| --- |
| **Dimensions** |
| **Frontage** |   | \*\*\*DP Sketch\*\*\* |
| **Depth**  |   |
| **Boundary**  |   |
| **Configuration** |   |
| **Topography** |  |
| **Site Area** |   |  |

**Planning**

|  |  |
| --- | --- |
| **Planning Schemes** |  |
| **Local Planning** | Planning Scheme No \_\_\_\_ |
| **Local Authority** |  |
| **Zoning** |  |
| **Density** |  |
| **Permitted Uses** |  |
| Insert TPS map extract | Insert legend |
| **Regional Planning** | \_\_\_\_\_\_\_\_\_\_\_\_\_ Region Scheme |
| **Zoning** |  |
| Insert region scheme map extract | Insert legend |

|  |  |
| --- | --- |
| **Structure Planning** |  |
| **Structure Plan** | \_\_\_\_\_\_\_\_\_\_\_\_\_Plan |
| **Date Adopted**  |  |
| Insert Structure Plan map |

|  |  |
| --- | --- |
| **Developer Contributions****(non-school site contributions)** |  |
| **Contribution Scheme**  |   |
| **Current Contribution Rates** |  \_\_\_\_\_\_ per lot/dwelling |
| **Total Contribution (Subject)** |  \_\_\_\_\_\_ (based on \_\_\_\_\_\_ lots) |

|  |  |
| --- | --- |
| **Approvals and Applications** |  |
| **Approval Application No.** |  |
| **Approving Authority** |  |
| **Approval Type**  |  |
| **Date Issued** |  |
| **Expiry Date** |  |
| **Plan Endorsement Date** |  |
| Insert approved subdivision plan |

**Environmental, Heritage, Archaeological**

Soil Contamination

Asbestos

Heritage Considerations

Native Title/Archaeological Issues

Flora and Fauna

Flooding

Bushfire Rating

**Development Constraints**

Bush Forever

CCW

Land Use Buffers

Flora / Fauna

Other

**Location**

Location Plan and general description of locality.

**Services**

|  |  |
| --- | --- |
| **Services** |  |
| **Electricity** |  |
| **Scheme Water** |  |
| **Gas** |  |
| **Deep Sewer** |  |
| **Internet/NBN** |  |
| **Telephone** |  |

**Development Proposal**

Brief description

Subdivision Plan

Proposed Deposited Plan

**Opinion of Probable Costs**

Source (Engineer)

Estimate Summary

Valuer Adjustments (Engineer Exclusions)

INSERT ENGINEERS OPINION OF PROBABLE COST SCHEDULE

**Market Comment**

Economic Overview

Residential Market Overview

Local Market Overview

**Valuation Methodology**

**Primary Valuation Approach – Direct Comparison Analysis**

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* allow for POS contribution where applicable.

**Market Evidence**

Englobo development site sales

School site sales

Single residential lot sales

Evidence for other non-residential sites within the DP area

**Market Value**

**DIRECT COMPARISON APPROACH**

Insert Direct Comparison Calculation Table

**STATIC HYPOTHETICAL DEVELOPMENT ANALYSIS**

Insert Gross Realisation Assessment Table

Insert Hypothetical Static Analysis

**ASSESSED MARKET VALUE**

**CONTRIBUTION ASSESSMENT**

Insert Contribution Calculations



# Valuation Statement

**MARKET VALUE ASSESSMENT**

**$\_\_\_\_\_\_\_ GST exclusive**

**PER LOT DEVELOPMENT CONTRIBUTION ASSESSMENT**

**$\_\_\_\_\_\_\_ GST exclusive**

**TOTAL DEVELOPMENT CONTRIBUTION ASSESSMENT**

**$\_\_\_\_\_\_\_ GST exclusive**

**(Insert required disclaimers)**

Valuer Details

ANNEXURES

1. Instructions
2. Parent Certificate of Title
3. WAPC Development Approval
4. Parent DP/Diagram
5. Proposed Deposited Plan
6. Opinion of Probable Costs
7. Photographs